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202-307-6570 (v)  
202-307-0054 (f)  
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IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF ARIZONA

United States of America,

Plaintiff,

v.

Dennis J. Sprenger; State of Arizona *ex rel*  
Department of Economic Security; Bank of  
Arizona; Ditech Financial LLC f/k/a Green  
Tree Servicing, LLC;

Defendants.

Case No.

(Related case: CV-15-00159-PHX-GMS)

COMPLAINT TO FORECLOSE ON  
REAL PROPERTY

Plaintiff, the United States of America, complains and alleges as follows:

1. This is a civil action brought by the United States of America to enforce federal tax liens and a judgment lien for federal tax liabilities against certain real property located at 5108 East Juniper Avenue, Scottsdale, Arizona 85254 (the “Juniper Property”).

2. This action is authorized, and requested by, the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of Treasury, and commenced, at the direction of a delegate of the Attorney General of the United States, pursuant to 26 U.S.C. §§ 7401, 7402(a), 7403 and 28 U.S.C. §§ 1340, 1345.



No. 96-0824101). According to the deed, the Juniper Property was acquired as defendant Dennis J. Sprenger's sole and separate property.

11. On November 22, 1996, a disclaimer deed was recorded (Rec. No. 96-0824102) stating that Silvia M. Sprenger (defendant Dennis J. Sprenger's wife) had no right, title, interest, claim or lien of any kind or nature whatsoever in, to or against the Juniper Property.

12. On or about the following dates, a delegate of the Secretary of the Treasury of the United States made the following assessments against Dennis J. Sprenger for his federal income taxes (Form 1040), for the following periods in the following amounts, with penalties and interest calculated through December 17, 2019:

<b>Tax Year</b>	<b>Type of Tax</b>	<b>Date of Assessment</b>	<b>Balance Due as of December 17, 2019</b>
1998	1040	02/28/2005	\$4,591.26
2001	1040	02/28/2005	\$113,596.28
2002	1040	02/28/2005	\$254,716.93
2003	1040	11/06/2006	\$107,120.85
2004	1040	11/06/2006	\$74,585.33
2005	1040	04/28/2008	\$270,338.98
		<b>TOTAL</b>	<b>\$824,999.63</b>

13. A delegate of the Secretary of the Treasury of the United States gave notice of the assessments to and made a demand for payment of the assessments described in Paragraph 14, above, upon Mr. Sprenger.

14. Despite notice and demand, Mr. Sprenger has failed, refused, or neglected to pay the tax assessments described above in full, and remains indebted to the United States in the amount of \$824,999.63 as of December 17, 2019, including interest and statutory accruals, plus such additional amounts as may continue to accrue as provided by law.

1           15.     The failure, refusal, or neglect of Mr. Sprenger to pay the taxes, penalties,  
2     and interest assessed against him, following notice of tax assessments and demand for  
3     payment of the same, gave rise, as of the dates of the tax assessments, to liens in favor of  
4     the United States, pursuant to 26 U.S.C. §§ 6321 and 6322. These liens include all  
5     property and rights to property belonging to Mr. Sprenger in an amount equal to the  
6     unpaid tax assessments, plus interest and other accruals permitted by law.

7           Notice of Federal Tax Lien Filings

8           16.     On or about September 26, 2012, a delegate of the Secretary of the  
9     Treasury filed a Notice of Federal Tax Lien with the Maricopa County Recorder's office  
10    (Rec. No. 2012-0870900) with respect to the unpaid federal income taxes owed by Mr.  
11    Sprenger for the 1998, 2001, 2002, 2003, 2004 and 2005 tax years. The Notice of Federal  
12    Tax Lien (Rec. No. 2012-0870900) stated that unless notice of the lien is refiled by  
13    March 30, 2015 for the 1998, 2001, and 2002 tax years, the recorded notice shall also  
14    operate as a certificate of release as defined in 26 U.S.C. § 6325(a).

15          17.     On or about May 19, 2014, a delegate of the Secretary of the Treasury filed  
16    a Notice of Federal Tax Lien with the Maricopa County Recorder's office (Rec. No.  
17    2014-0322937) with respect to the unpaid federal income taxes owed by Mr. Sprenger for  
18    the 1998, 2001, and 2002 tax years, including the same automatic release language and  
19    date of March 30, 2015 that was mentioned in paragraph 19 above.

20          18.     On or about June 25, 2014, a delegate of the Secretary of the Treasury filed  
21    a Certificate of Release of Federal Tax Lien (Rec. No. 2014-40414807) with the  
22    Maricopa County Recorder's office to release the duplicative filing of the Notice of  
23    Federal Tax Lien (Rec. No. 2014-0322937) with respect to the unpaid federal income  
24    taxes owed by Mr. Sprenger for the 1998, 2001, and 2002 tax years.

1           19. On October 9, 2014, a delegate of the Secretary of the Treasury filed a  
2           Revocation of Certificate of Release of Federal Tax Lien (Rec. No. 2014-0669669)  
3           revoking any automatic release of the 1998, 2001, and 2002 tax liens on March 30, 2015  
4           absent the refiling of the notice of the federal tax lien.

5           20. On October 14, 2014, a delegate of the Secretary of the Treasury re-filed a  
6           Notice of Federal Tax Lien (Rec. No. 2014-0678695) for the unpaid taxes owed for the  
7           1998 tax year, removing the date for any automatic release of the notice.

8           21. On October 14, 2014, a delegate of the Secretary of the Treasury re-filed a  
9           Notice of Federal Tax Lien (Rec. No. 2014-0678696) referencing the original filing of  
10          the Notice of Federal Tax Lien (Rec. No. 2012-0870900) with respect to the tax liens  
11          related to the 2001 and 2002 tax years, and removing the date for any automatic release  
12          of the notice.

13           *The United States' Initial Collection Action*

14          22. On January 30, 2015, the United States filed the civil action *United States*  
15          *v. Dennis J. Sprenger*, Case No. CV-15-00159-PHX-GMS, in the United States District  
16          Court for the District of Arizona seeking a money judgment against Dennis J. Sprenger  
17          for his 1998, 2001, 2002, 2003, 2004 and 2005 federal income tax liabilities.

18          23. Mr. Sprenger was properly served with the summons and Complaint and  
19          failed to answer or otherwise respond to the United States' Complaint in that action.

20          24. Thereafter, on July 2, 2015, a Default Judgment Order was entered for the  
21          full amount of \$668,988.09 as of April 1, 2015, plus statutory additions from the  
22          foregoing date, including interest pursuant to 26 U.S.C. §§ 6601, 6621 and 6622, and 28  
23          U.S.C. § 1961(c), until the judgment is fully paid.

24          25. The United States recorded an Abstract of Judgment on August 11, 2015,  
25          with the Maricopa County, Arizona Records' Office, Rec. No. 20150580347.

1           26. Pursuant to 28 U.S.C. § 3201, the filing of the Abstract of Judgment created  
2 a judgment lien in favor of the United States in the amount of the judgment, including  
3 costs and interest, against all real property of the judgment debtor, Dennis J. Sprenger, in  
4 Maricopa County, including the Juniper Property. The balance due as of December 17,  
5 2019 is \$824,999.63.

6           *Additional Recorded Documents*

7           27. On November 7, 2016, a delegate of the Secretary of the Treasury re-filed a  
8 Notice of Federal Tax Lien (Rec. No. 2016-0820967) preserving the priority perfected by  
9 the original filing of the Notice of Federal Tax Lien (Rec. No. 2012-0870900) with  
10 respect to the tax liens related to the 2003 and 2004 tax years.

11           28. On June 12, 2017, a delegate of the Secretary of the Treasury re-filed a  
12 Notice of Federal Tax Lien (Rec. No. 2017-0425240) preserving the priority perfected by  
13 the original filing of the Notice of Federal Tax Lien (Rec. No. 2012-0870900) with  
14 respect to the tax liens related to the 2005 tax year.

15           29. On June 27, 2017, a delegate of the Secretary of the Treasury filed a  
16 Revocation of Certificate of Release of Federal Tax Lien (Rec. No. 20170468772)  
17 referencing Rec. No. 2014-0678695, the timely re-filed Notice of Federal Tax Lien with  
18 respect to the 1998 tax year, noting that any release due to not timely refiling the Notice  
19 of Federal Tax Lien is revoked.

20           30. On June 27, 2017, a delegate of the Secretary of the Treasury filed a  
21 Revocation of Certificate of Release of Federal Tax Lien (Rec. No. 20170468774)  
22 referencing Rec. No. 2014-0678696, the timely re-filed Notice of Federal Tax Lien with  
23 respect to the 2001 and 2002 tax years, noting that any release due to not timely refiling  
24 the Notice of Federal Tax Lien is revoked.  
25

31. On August 21, 2017, a delegate of the Secretary of the Treasury filed a Revocation of Certificate of Release of Federal Tax Lien (Rec. No. 20170615164) referencing Rec. No. 2012-0870900, the originally filed Notice of Federal Tax Lien with respect to the 1998, 2001 and 2002 tax years, noting that any release due to not timely refiling the Notice of Federal Tax Lien is revoked.

32. On October 31, 2017, a delegate of the Secretary of the Treasury filed a Notice of Federal Tax Lien (Rec. No. 2017-0806440) with respect to the tax liens related to the 1998, 2001 and 2002 tax years, in the event that the priority obtained by the recording of the Notice of Federal Tax Lien (Rec. No. 2012-0870900), pleading in the alternative to the above allegations, was erroneously released.

### Foreclosure on the Juniper Property

33. Despite notice and demand for payment of the judgment, Mr. Sprenger has not made any voluntary payments of such outstanding federal tax liabilities reduced to judgment. Mr. Sprenger owes \$824,999.63, plus statutory accruals, including interest, as December 17, 2019.

34. Except as otherwise provided in 26 U.S.C. § 6323, the federal tax liens have priority over all interests in the Juniper Property acquired after the attachment of the tax liens.

35. Under 26 U.S.C. § 7403(c), the United States is entitled to foreclose its federal tax liens upon the Juniper Property and to receive the proceeds from the sale of the Juniper Property to be applied towards satisfaction of the outstanding and unpaid tax liabilities of Defendant Dennis J. Sprenger.

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1           WHEREFORE, Plaintiff, the United States of America, demands judgment as  
2 follows:

3           A.     That the United States has valid and subsisting federal tax liens associated  
4 with the assessments of federal income taxes, penalties, and interest, with respect to the  
5 periods listed in the above paragraphs, which have attached to all property and rights to  
6 property, both real and personal, of Dennis J. Sprenger, including the Juniper Property;

7           B.     That the United States, based upon the judgment in Case No. CV-15-  
8 00159-PHX-GMS and the filing of an Abstract of Judgment, has a valid and subsisting  
9 judgment lien against Dennis J. Sprenger which as attached all real property in  
10 Maricopa County belonging to Dennis J. Sprenger, including the Juniper Property;

11           C.     That this Court enforce the United States of America's tax liens and  
12 judgment lien against the Juniper Property described in this Complaint, and that said  
13 Juniper Property be sold in accordance with the practice of this Court, and according to  
14 law, free and clear of all rights, titles, liens, claims, and interests of the parties hereto,  
15 and that proceeds of such sale be distributed, after the costs of sale, to the United States  
16 and to other parties in accordance with the law;

17           D.     That the United States is awarded the ten percent surcharge permitted under  
18 the Federal Debt Collection Procedures Act, 28 U.S.C. § 3011; and,

19           E.     That this Court award the United States of America its costs and such  
20 further relief as is just and proper.

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1 DATED this 6th day of January, 2020.

2 Respectfully submitted,

3 RICHARD E. ZUCKERMAN  
4 Principal Deputy Assistant Attorney General

5 /s/ Nithya Senra  
6 NITHYA SENRA (CA SBN 291803)  
7 Trial Attorney, Tax Division  
8 U.S. Department of Justice  
9 *Attorneys for the United States of America*

10 MICHAEL BAILEY  
11 United States Attorney  
12 for the District of Arizona  
13 *Of Counsel*  
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UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

## Civil Cover Sheet

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is authorized for use only in the District of Arizona.

**The completed cover sheet must be printed directly to PDF and filed as an attachment to the Complaint or Notice of Removal.**

Plaintiff(s): **United States of America**

**Dennis J. Sprenger ; State of  
Arizona ex rel Department of  
Defendant(s): Economic Security ; Bank of  
Arizona ; Ditech Financial LLC f/k/a  
Green Tree Servicing LLC**

County of Residence: Maricopa

County of Residence: Maricopa

County Where Claim For Relief Arose: Maricopa

Plaintiff's Atty(s):

Defendant's Atty(s):

**Nithya Senra  
U.S. Dept. of Justice, Tax Division  
P.O. Box 683, Ben Franklin Stn.  
Washington, DC 20044  
(202) 307-6570**

II. Basis of Jurisdiction: **1. U.S. Government Plaintiff**

III. Citizenship of Principal  
Parties (Diversity Cases Only)

Plaintiff: - N/A  
Defendant: - N/A

IV. Origin : **1. Original Proceeding**

V. Nature of Suit: **870 Taxes US Plaintiff or Defendant**

VI. Cause of Action: **26 U.S.C. 7403**

VII. Requested in Complaint

Class Action: **No**  
Dollar Demand:  
Jury Demand: **No**

VIII. This case **IS RELATED** to Case Number **CV-15-00159-PHX-GMS** assigned to Judge **G. Murray Snow.**

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**Signature:** /s/ Nithya Senra

**Date:** 1/6/2020

**If any of this information is incorrect, please go back to the Civil Cover Sheet Input form using the *Back* button in your browser and change it. Once correct, save this form as a PDF and include it as an attachment to your case opening documents.**

Revised: 01/2014